

RECORDATION NO. **21793**

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LAW OFFICES

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CHICAGO, ILLINOIS 60601-7567

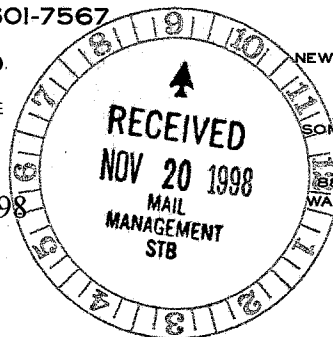
312-558-1000

WRITER'S DIRECT LINE  
(312) 750-8655

TELECOPIER  
312-750-8600

SUSAN G. LICHTENFELD

November 19, 1998



PARK AVENUE TOWER  
65 EAST 55TH STREET  
NEW YORK, NEW YORK 10022-3219  
212-421-5555

580 HOWARD AVENUE  
SOMERSET, NEW JERSEY 08873  
732-563-2700

888 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-4103  
202-296-8600

**VIA OVERNIGHT COURIER**

Mr. Vernon A. Williams  
Secretary  
Office of the Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11301(a) are two original executed copies and three photostatic copies of a Memorandum of Railcar Security Agreement, dated as of November 17, 1998, between Johnstown America Corporation ("Secured Party") and The Detroit Edison Company ("Debtor"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party:	Johnstown America Corporation 17 Johns Street Johnstown, Pennsylvania 15901
Debtor:	The Detroit Edison Company 200 2nd Avenue Detroit, Michigan 48226

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Railcar Security Agreement.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Mr. Vernon A. Williams  
November 19, 1998  
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Kindly return one stamped original copy and three stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of November 17, 1998 between Johnstown America Corporation, as Secured Party, and The Detroit Edison Company, as Debtor.

Very truly yours,

  
Susan G. Lichtenfeld

SGL/vgc  
w/encl.

cc: Robert W. Kleinman  
Joseph A. McQuade

NOV 20 '98

10-19 AM

**MEMORANDUM OF RAILCAR SECURITY AGREEMENT**

This Memorandum of Railcar Security Agreement is made and entered into as of November 17, 1998, by and between JOHNSTOWN AMERICA CORPORATION (hereinafter referred to as "Secured Party") and THE DETROIT EDISON COMPANY (hereinafter referred to as "Debtor").

Pursuant to the Railcar Manufacturing Agreement dated as of August 1, 1998 (the "Manufacturing Agreement") between Secured Party and Debtor, and subject to the terms and conditions therein set forth, Secured Party has agreed to manufacture and sell to Debtor, and Debtor has agreed to purchase from Secured Party, certain railcars, including the railcars identified on Schedule A hereto (the "Railcars").

As security for the payment and fulfillment of its obligations to Secured Party under the Manufacturing Agreement pursuant to Section 7 of the Manufacturing Agreement, Debtor grants to Seller a security interest in Debtor's interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Debtor therein and all rights and remedies which Debtor might exercise with respect thereto but for the execution of the Manufacturing Agreement.

As contemplated by the Manufacturing Agreement, Secured Party and Debtor hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Debtor further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Debtor agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

DEBTOR:

JOHNSTOWN AMERICA CORPORATION

THE DETROIT EDISON COMPANY

By: Michael P. Siska Jr.Name: Michael P. Siska Jr.Title: Contract Admin.By: C. BRIANName: C. BRIANTitle: Assistant Treasurer

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CAMBRIA

SS:

On this 16 day of November 1998, before me personally appeared MICHAEL P. SISHA JR., to me personally known, who being duly sworn, says that he is a DEALER of JOHNSTOWN AMERICA CORPORATION, a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol A. Phillips  
Notary Public

[NOTARIAL SEAL]

My Commission Expires:

NOTARIAL SEAL  
CAROLYN A. PHILLIPS, Notary Public  
Johnstown, Cambria County, PA  
My Commission Expires June 7, 2001

STATE OF NEW YORK  
COUNTY OF New York

SS:

On this 17th day of November, 1998, before me personally appeared Christopher Arvan, to me personally known, who being by me duly sworn, says that he is an Assistant Treasurer of THE DETROIT EDISON COMPANY, a Michigan corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Bao Ngoc Victoria Dang  
Notary Public

[NOTARIAL SEAL]

My Commission expires:

BAO NGOC VICTORIA DANG  
NOTARY PUBLIC, State of New York  
No. 01DA5087473

BAO NGOC VICTORIA DANG  
NOTARY PUBLIC, State of New York  
No. 01DA5087473  
Qualified in New York County  
Commission Expires Nov. 3, 1999

**SCHEDULE A**  
**TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT**

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120 BethGon™ Coalporter cars bearing road marks and numbers:

DETX 980000 - DETX 980119 (both inclusive)